

Message Text

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63

ACTION IO-13

INFO OCT-01 ARA-11 ADP-00 SSO-00 NSCE-00 CCO-00 USIE-00

INRE-00 CIAE-00 DODE-00 PM-09 H-02 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-14 AID-20

COME-00 EB-11 FRB-02 TRSE-00 XMB-07 OPIC-12 CIEP-02

LAB-06 SIL-01 SAL-01 OMB-01 AGR-20 STR-08 RSR-01 /170 W
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O 291900 Z MAR 73

FM AMEMBASSY QUITO

TO SECSTATE WASHDC IMMEDIATE 7003

INFO USMISSION USUN NEW YORK

UNCLAS QUITO 1621

E. O. 11652: N/A

TAGS: OCON, ECLA

SUBJECT: 15 TH SESSION ECLA: EFFECTS OF ACTIVITIES
OF MULTINATIONAL CORPORATIONS

FOLLOWING IS CR PAPER NO. 30 - DRAFT RESOLUTION
ON MULTINATIONAL CORPORATIONS CO- SPONSORED
BY CHILE, COLOMBIA, CUBA, MEXICO, PERU AND
VENEZUELA. DEPT'S COMMENTS REQUESTED ASAP.

BEGIN QUOTE:

THE ECONOMIC COMMISSION FOR LATIN AMERICA,

CONSIDERING THAT THE COUNTRIES OF LATIN AMERICA ARE DEEPLY
CONCERNED ABOUT CERTAIN ACTIVITIES ENGAGED IN BY TRANSNATIONAL
CORPORATIONS IN THE REGION BECAUSE THE IMMENSE ECONOMIC POWER
CONCENTRATED IN THESE CORPORATIONS MAY INTERFERE WITH NATIONAL
INTERESTS, AND IN SOME CASES HAS DONE SO; THE SITUATION IS FURTHER
AGGRAVATED BY THE FACT THAT THESE CORPORATIONS AT THE GLOBAL
LEVEL DO NOT DEPEND ON ANY STATE AND THEIR ACTIVITIES ARE NOT
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CONTROLLED BY ANY INSTITUTION REPRESENTING THE PUBLIC INTEREST,

BEARING IN MIND THAT THE DECISION- MAKING CENTRE OF THESE
CORPORATIONS

LIES OUTSIDE THE REGION AND THAT THE POLICIES ON CAPITAL FORMATION,
PRICES AND THE TRANSFER OF TECHNOLOGY ESTABLISHED BY THEM ARE
DETERMINED INDEPENDENTLY OF THE DEVELOPMENT OBJECTIVES WHICH MAY
BE ADOPTED BY THE COUNTRIES IN ACCORDANCE WITH THEIR NATIONAL
INTERESTS,

BEARING IN MIND FURTHER THAT THE LATIN AMERICAN COUNTRIES ARE
SIMILARLY CONCERNED ABOUT THE NET OUTFLOW OF CAPITAL THROUGH
THESE TRANSNATIONAL CORPORATIONS, THUS LIMITING THE OPPORTUNITIES
FOR CAPITAL ACCUMULATION IN THE COUNTRIES WHERE THEY OPERATE;
THERE IS ALSO AN ILLEGAL TRANSFER OF CAPITAL CONDUCTED BY
THESE TRANSNATIONAL CORPORATIONS, THROUGH SUCH ACTIVITIES AS THE
OVER- INVOICING OF RAW MATERIALS BY THEIR BRANCH OFFICES, AND THE
COLLECTION OF ROYALTIES AND PATENTS WHICH ACTUALLY BELONG TO THE
CENTRAL OFFICE OF CORPORATION,

POINTING OUT THAT THE LATIN AMERICAN COUNTRIES REJECT THE DIRECT
INTERFERENCE OF CERTAIN TRANSNATIONAL CORPORATIONS IN THE INTERNAL
POLICY OF THE COUNTRIES IN WHICH THEY OPERATE. THE CHECKED ACTION
OF SOME OF THESE CORPORATIONS HAS BEEN SO EXTENSIVE THAT IT HAS
GIVEN RISE TO AN INVESTIGATION IN THE UNITED STATES SENATE AND IN
OTHER DEVELOPED COUNTRIES,

EMPHASIZES THE IMPORTANCE OF THE INITIATIVES OF DIFFERENT
COUNTRIES OR GROUPS OF COUNTRIES IN THE REGION, AIMED AT
REGULATING PRIVATE FOREIGN INVESTMENT AND THE TRANSFER OF
TECHNOLOGY SO AS TO ENSURE THAT THEY WILL BE AT THE SERVICE OF
INDEPENDENT NATIONAL DEVELOPMENT,

REQUESTS THE SECRETARIAT TO STUDY THE EFFECTS OF THE BEHAVIOUR OF
CERTAIN TRANSNATIONAL CORPORATIONS ON THE ECONOMIC DEVELOPMENT
OF

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THE REGION,

REQUESTS THE EXECUTIVE SECRETARY TO INFORM THE SECRETARY-
GENERAL OF THE UNITED NATIONS THE MAGNITUDE OF THIS PROBLEM AND
THE NEED FOR DIFFERENT ORGANS OF THE UNITED NATIONS SYSTEM TO
STUDY IN DEPTH THE BEHAVIOUR OF THE TRANSNATIONAL CORPORATIONS
AND THEIR EFFECTS ON THE DEVELOPING COUNTRIES.

END QUOTE.

BURNS

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